

SCOPE DESCRIPTION

CERTIFICATE OF NEED (CON) PROJECT

Purpose:

The CON Task Force shall study and prepare recommendations to the Governor and the Legislature related to improving and updating the Certificate of Need Program as describe in Chapter 70.38 RCW. The desired outcome from the work of the Task Force is the development of recommendations on a strategy design which will:

- Promote the improvement of the quality/outcomes of health care delivered in the state,
- Control the cost of health care delivered in the state, and
- Monitor the outcomes from/as a result of a revised state health planning and development process.

The report must be submitted to the Governor and appropriate committees of the Legislature by November 1, 2006.

Scope Definition:

At a minimum the Task Force should examine and develop recommendations related to the following issues:

- 1) The need for a new and regularly updated set of service and facility specific policies that guide Certificate of Need decisions; [Section 3.2.a](#)
- 2) A review of the purpose and goals of the current Certificate of Need Program, including the relationship between the supply of health services and health care outcomes and expenditures in Washington State; [Section 3.2.b](#)
- 3) The scope of facilities, services, and capital expenditures that should be subject to Certificate of Need review, including consideration of the following: [Section 3.2.c](#)
 - i) Acquisitions of major medical equipment, meaning a single unit of medical equipment or a single system of components with related functions used to provide medical and other health services;
 - ii) Major capital expenditures;
 - (a) Capital expenditures for information technology needed to support electronic health records should be encouraged;
 - iii) The offering or development of any new health services, as defined in RCW 70.38/025, that meets any of the following:
 - (a) The obligation of substantial capital expenditures by or on behalf of a health care facility that is associated with the addition of a health service that was not offered on a regular basis by or on behalf of the health care facility within the 12-month period prior to the time the services would be offered;
 - (b) The addition of equipment or services, by transfer of ownership, acquisition by lease, donation, transfer, or acquisition of control, through management agreement or otherwise, that was not offered on a regular basis by or on behalf of the health care facility or the

SCOPE DESCRIPTION

CERTIFICATE OF NEED (CON) PROJECT

private office of a licensed health care provider regulated under Title 18 RCW or Chapter 70.127 TCS within the 12-month period prior to the time the services would be offered and that for the third fiscal year of operation, including a partial first year following acquisition of that equipment or service, is projected to entail substantial incremental operating costs or annual gross revenue directly attributable to that health service.

iv) The scope of health care facilities* subject to Certificate of Need requirements, to include consideration of:

- (a) hospitals, including specialty hospitals,
- (b) psychiatric hospitals,
- (c) nursing facilities,
- (d) kidney disease treatment centers including freestanding hem dialysis facilities,
- (e) rehabilitation facilities,
- (f) ambulatory surgical facilities,
- (g) freestanding emergency rooms or urgent care facilities,
- (h) home health agencies,
- (i) hospice agencies and hospice care centers,
- (j) freestanding radiological service centers,
- (k) freestanding cardiac catheterization centers, or
- (l) cancer treatment centers.

*"Health care facility" includes the office of a private health care practitioner in which surgical procedures are performed.

4) The criteria for review of Certificate of Need applications, as currently defined in RCW 70.38.115, with the goal of having criteria that are consistent, clear, technically sound, and reflect state law, including consideration of: **Section 3.2.d**

i) Public need for the proposed services as demonstrated by certain factors, including, but not limited to:

- (a) Whether, and the extent to which, the project will substantially address specific health problems as measured by health needs in the area to be served by the project;
- (b) Whether the project will have a positive impact on the health status indicators of the population to be served;
- (c) Whether there is a substantial risk that the project would result in inappropriate increases in service utilization or the cost of health services;
- (d) Whether the services affected by the project will be accessible to all residents of the area proposed to be served; and
- (e) Whether the project will provide demonstrable improvements in quality and outcome measures applicable to the services proposed in the project, including whether there is data to indicate that the proposed health services would constitute innovations in high quality health care delivery.

SCOPE DESCRIPTION

CERTIFICATE OF NEED (CON) PROJECT

- ii) Impact of the proposed services on the orderly and economic development of health facilities and health resources for the state as demonstrated by:
 - (a) The impact of the project on total health care expenditures after taking into account, to the extent practical, both the costs and benefits of the project and the competing demands in the local service area and statewide for available resources for health care;
 - (b) The impact of the project on the ability of existing affected providers and facilities to continue to serve uninsured or underinsured residents of the community and meet demands for emergency care;
 - (c) The availability of state funds to cover any increase in state costs associated with utilization of the project's services; and
 - (d) The likelihood that more effective, more accessible, or less costly alternative technologies or methods of service delivery may become available.
- 5) The timeliness and consistency of Certificate of Need reviews and decisions, the sufficiency and use of resources available to the Department of Health to conduct timely reviews, the means by which the Department of Health projects future need for services, the ability to reflect differences among communities and approaches to providing services, and clarification on the use of the concurrent review process; and [Section 3.2.e](#)
- 6) Mechanisms to monitor ongoing compliance with the assumptions made by facilities that have received either a Certificate of Need or an exemption to a certificate of need, including those related to volume, the provision of charity care, and access to health services to Medicaid and Medicare beneficiaries as well as underinsured and uninsured members of the community. [Section 3.2.f](#)